TORONTO STOCK EXCHANGE

FILING STATEMENT No. 631.
FILED, NOVEMBER 30th. 1961.

GENERAL DEVELOPMENT CORPORATION *(the "Company")*

Full corporate name of Company

a Delaware corporation (Incorporated January 11, 1928)

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous Filing Statement No. 199.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	The Company acquired on June 20, 1961 all the issued and outstanding stock of Hooper Construction Company, a Florida corporation, for 270,679 shares of its stock pursuant to an agreement and Plan of Reorganization dated June 14, 1961 between the Company, Hooper Construction Company and Fred W. Hooper, Laura G. Hooper, Laura Elizabeth Hedden, Fred W. Hooper, Jr., Helen Katherine Wheeler and Doris Robinson Hooper. The Company issued on August 23, 1961 to the Prudential Insurance Company of America its $15,000,000 6% Note due August 15, 1971, together with a stock subscription warrant to purchase 62,500 common shares for an aggregate price of $15,000,000, of which $10,000,000 was paid by cancellation of the Company's $10,000,000 6% Note due April 1, 1969 theretofore outstanding. The Company on the same date issued to the Ford Foundation its $5,000,000 6% Note due August 15, 1971, together with a stock subscription warrant to purchase 62,500 common shares for an aggregate price of $5,000,000.
2. Head office address and any other office address.	2828 S.W. 22nd Street, Miami, Florida
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	See Rider A on page 2.
4. Share capitalization showing authorized and issued and outstanding capital.	6,561,256 shares Common Stock, $1 par (which amount includes the shares issued pursuant to the transaction described in Item 1).
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	See Rider B on pages 2, 3 & 4.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	The Company had, as reported by its Transfer Agent, 13¼ treasury shares outstanding on April 30, 1961 which shares are an aggregate of fractional shares accumulated since June 10, 1960 as the result of the 1956 1-for-2 consolidation of the Company's predecessor. See Rider C with respect to options outstanding In addition to the options therein described the Prudential Insurance Company of America holds a 10 year warrant including the right to purchase 250,000 shares of the Company's authorized but unissued Common Stock at a price of $15.40 per share at any time from April 1, 1960 to and including April 1, 1964 and at a price of $19.20 per share at any time thereafter to and including April 1, 1969. The Company on August 23, 1961 issued stock subscription warrants to purchase 62,500 shares on the Company's common stock to each of the Prudential Insurance Company of America and the Ford Foundation. These warrants are exercisable at any time on or before August 15, 1971 at a price of $18 per share. As of July 31, 1961 the Company was holding 809,479 shares reserved for issuance upon conversion of its 6% Convertible Subordinated Debentures due May 1, 1975. (Rider C on page 5)
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Names of all persons having an interest in shares subject to option, warrant or other reservation supplied in Item 6. For addresses of such persons, see Rider D. on page 6.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company does not intend to sell any treasury shares. The Company's future plans are to continue and expand its present business which is the development of large tracts of unimproved land into planned communities in which it offers for sale homesite lots, houses and commercial and industrial sites. In these planned community developments, the Company owns and operates the water, sewer and gas utilities and the major shopping centers. The Company on July 31, 1961 was engaged in development activities in several locations within the State of Florida, including two major community developments, Port Charlotte on the west coast and Port St. Lucie on the east coast, two smaller community developments on the east coast and two smaller subdivision developments on the east coast. Since July 31, 1961 the Company has acquired land at Port Malabar on the east coast of Florida sufficient to institute another major community development at that site. The Company also is offering for sale, through a wholly owned subsidiary, an investment contract covering the sale, rental and maintenance of homes in the Port St. Lucie Country Club area. Besides its community development activities, the Company also owns processes for the plating of chromium on aluminum or other base metals. The Company acquired on June 20, 1961 all the stock of Hooper Construction Company (see Item 1) a large heavy construction company which has, in the past, done road building and heavy construction work for the Company.

RIDER A

MANAGEMENT

The directors and executive officers of the Company are:

Frank E. Mackle, Jr.	Chairman of the Board of Directors*
Gardner Cowles	Vice Chairman of the Board of Directors*
H. A. Yoars	President and Director*
Louis Chesler	Vice President, Chairman of Executive Committee and Director*
A. J. Fay	Executive Vice President
Neil E. Bahr	Vice President
Thomas A. Ferris	Vice President
James E. Vensel	Vice President
William H. O'Dowd	Secretary-Treasurer
Harry Hood Bassett	Director
Joseph P. Binns	Director
Gabriel Hauge	Director
Fred W. Hooper	Director
Robert F. Mackle	Director*
Elliott J. Mackle	Director*
John L. Weinberg	Director*

* Member of the Executive Committee.

Mr. Cowles is, and for many years has been, President and a director of Cowles Magazines and Broadcasting, Inc. and of Des Moines Register and Tribune Company. He has been a director of the Company since September, 1958 and was Chairman of the Board from October, 1959 to June 1, 1961 and Vice Chairman since that date.

Frank E. Mackle, Jr., Robert F. Mackle and Elliott J. Mackle were President, Vice President and Secretary, respectively, of the Company from April, 1958 until June 1, 1961. For many years prior to April, 1958 their principal occupations were as officers of The Mackle Company, Inc., and they continue to serve as officers and directors of that company.

Mr. Yoars was Vice President of First National City Bank of New York City for the five years prior to January 1, 1961. On that date he entered the employ of the Company as Vice President in charge of financial relations. He was elected President of the Company on June 1, 1961.

Mr. Chesler served as President of the Company from December, 1957 until April, 1958 and as Chairman of the Board of Directors from August, 1957 until October, 1959 when he was elected to his present offices with the Company. From January, 1956 through February, 1961 he was Chairman of the Board of Directors of Universal Controls, Inc., a manufacturer of electronic computers, relays and automatic ticket machines, of which he is presently a director. Since July 29, 1960 he has been Chairman of the Board of Directors of Seven Arts Productions Limited, which is engaged in television, motion picture, and theatrical enterprises and investment in a major real estate development in the Grand Bahamas. These positions together with his positions with the Company and as Chairman of the Board of Associated Artists Productions Corp. from February, 1956 to December, 1957, have been his principal occupation since January, 1956.

Vice Admiral Fay USN (Retired) was from 1956 to 1958 Deputy Chief of Yards and Docks, United States Navy. From 1958 to 1959 he was District Civil Engineer and Officer-in-Charge of Construction, Fifth Naval District. From 1959 until June 1, 1961 he was Executive Coordinator of the Company. He was elected Executive Vice President of the Company on June 1, 1961.

Messrs. Ferris, O'Dowd and Vensel were employees of The Mackle Company, Inc. from January, 1956 to February, 1958. From February to April 1958 they were employees of General Development Corp. and since April, 1958 have been employees of the Company and on June 1, 1961 were elected to their present positions with the Company.

Mr. Bahr was general manager of R. A. Gall & Company, real estate brokers, Cleveland, Ohio from January, 1956 to November, 1959, at which time he became an employee of the Company. On June 1, 1961 he became a Vice President of the Company.

Mr. Hooper is Chairman of the Board of Hooper Construction Company. He was the principal stockholder of that company until the acquisition on June 20, 1961 of all its outstanding stock by the Company. Mr. Bassett's principal occupation is that of Chairman of the Executive Committee of the Board of Directors of The First National Bank of Miami, Miami, Florida. Mr. Hauge is a director and Chairman of the Finance Committee of Manufacturers Hanover Trust Company, New York, New York. Mr. Weinberg is a partner in Goldman, Sachs & Co., investment bankers. Mr. Binns is vice president and director in charge of the Eastern Division of Hilton Hotels Corporation.

RIDER B

CAPITALIZATION

The table below sets forth the capitalization of the Company and its consolidated subsidiaries at July 31, 1961, after giving effect to the issuance on August 23, 1961 of 6% Notes in the aggregate principal amount of $20,000,000 and warrants to purchase an aggregate of 125,000 shares of Common Stock and the retirement of a $10,000,000 6% Note theretofore outstanding (see "Note Agreements and Warrants"); and the repayment on August 23, 1961 of $4,900,000 of short-term bank loans then outstanding.

	Authorized	*Outstanding*	
Indebtedness:			
5¾%-6% Construction loan mortgage notes (due within one year)		$ 6,957,768	
6% Notes due $2,500,000 annually from August 15, 1964 through August 15, 1971		20,000,000	
6% Mortgage Note due in installments through December 31, 1963 (1)		2,850,000	
6% Notes due in installments through August 3, 1963		1,041,666	
4½% Notes due in installments through August 30, 1964		1,558,806	
Purchase money mortgage indebtedness (principally at 4-6%)(2)		12,657,510	
Other long-term indebtedness (3)		3,442,820	
6% Convertible Subordinated Debentures due May 1, 1975	$12,555,600	12,550,000	
Minority Interest in Subsidiary		2,103,396	
Capital Stock:			
Common Stock, par value of $1.00 per share	15,000,000 shs.	6,561,256	(4)
Unissued Common Stock reserved for issuance upon exercise of outstanding warrants and options and conversion of outstanding Debentures		1,640,979	(5)

(1) Mortgage Note of General Development Utilities, Inc., a 100% owned subsidiary of the Company, on substantially all its properties.

(2) The purchase money mortgages have resulted from the acquisition of land. The mortgages generally provide for payment of the principal amount in equal annual payments over periods of from five to ten years from their original date. See Note 7 to the financial statements. Prepayments may be necessary in order to release lands from the mortgages. Except for mortgages in an aggregate amount of $251,438, the Company's liability is limited to the land securing the mortgages. In addition to the mortgage indebtedness shown above, land of the Company is subject to purchase money mortgages amounting to $38,354,906 held by an 80% owned subsidiary.

(3) Includes $2,425,570 of mortgage notes on improved property bearing interest principally at 6%. See Note 7 to the financial statements.

(4) On April 14, 1961 the Company tendered 25,000 shares on exercise of an option which tender was refused. Such shares are not included in the shares outstanding nor in the shares reserved for issuance referred to in Note (5)

(5) Of such shares, 456,500 are reserved for issuance upon the exercise of outstanding restricted stock options, 375,000 are reserved for issuance upon the exercise of warrants and 809,479 are reserved for issuance upon conversion of the Convertible Subordinated Debentures. These amounts do not include the 150,000 shares covered by the stock option plan approved by stockholders at the annual meeting on May 16, 1961 but do include options to purchase 44,500 shares which have been cancelled since July 31, 1961. The issuance of shares upon the exercise of the options or warrants at a time when the market price of the Company's Common Stock exceeds such exercise price could result in the Company receiving less cash than it might otherwise have realized if it had sold the equivalent number of shares in the market at that time.

CONVERTIBLE SUBORDINATED DEBENTURES

A sinking fund requires the retirement on May 1 of each year, beginning with 1970, of not less than 15% of the principal amount of Debentures outstanding at May 1, 1969 (including Debentures then held in the treasury of the Company). Debentures converted subsequent to May 1, 1969, or redeemed by the Company (otherwise than through the sinking fund) subsequent to May 1, 1969, or acquired by the Company otherwise than upon conversion or redemption, may be credited against subsequent sinking fund requirements.

The Indenture provides that (except for issue or sale to the Company or to a restricted subsidiary) the Company (a) will not, and will not permit any restricted subsidiary to, incur or assume any funded indebtedness, except for extending or refunding existing funded indebtedness, (b) will not sell any funded indebtedness of any restricted subsidiary or permit any restricted subsidiary to sell any funded indebtedness of the Company or of any other restricted subsidiary, (c) will not permit any restricted subsidiary to cease to be a restricted subsidiary or any corporation to become a restricted subsidiary, and (d) will not, and will not permit any restricted subsidiary to, make any investment (with certain exceptions) otherwise than in restricted subsidiaries, unless after giving effect to each such transaction the amount by which the consolidated net tangible assets (as defined) of the Company and its restricted subsidiaries exceeds the net amount of outside investments of the Company and its restricted subsidiaries would be not less than 175% of the consolidated funded indebtedness of the Company and its restricted subsidiaries. The term "funded indebtedness" means any obligation which has a final maturity (or which is extendable or renewable to a date) more than one year after incurrence, and any guarantee of (or other contingent liability in connection with) any such obligation or of stock or dividends, excluding (i) accrued but unearned agents and salesmen's commission and contractors' fees, (ii) estimated liabilities for improvements to land sold, (iii) provision for deferred income taxes, and (iv) non-liability purchase money mortgage indebtedness (as defined). The term "net amount of outside investments of the Company and its restricted subsidiaries" does not include investments in restricted subsidiaries and in short-term government securities, and investments not exceeding $1,000,000 in sales agents.

The Indenture provides that no dividend or other distribution (except in capital stock of the Company) is to be made on any capital stock of the Company and that no acquisition of any such stock is to be made by the Company if, after giving effect to such action, (a) the aggregate payments for all such purposes after December 31, 1959 would exceed the sum of (i) the consolidated net income of the Company and its restricted subsidiaries earned subsequent to December 31, 1959, (ii) $3,000,000, and (iii) the aggregate of the net proceeds received by the Company from the sale for cash or other property of its capital stock after December 31, 1959 but in an amount not exceeding the aggregate cost of all shares of capital stock purchased or redeemed subsequent to December 31, 1959; and (b) the amount by which consolidated net tangible assets (as defined) of the Company and its restricted subsidiaries exceeds the net amount of outside investments of the Company and its restricted subsidiaries (as defined) would be not less than 175% of consolidated funded indebtedness of the Company and its restricted subsidiaries. For the purposes of this computation, shares of Common Stock issued on conversion of Debentures are to be deemed to have been sold for other property valued at the principal amount of the Debentures so converted (less cash paid in lieu of fractions).

The term "restricted subsidiary" means every subsidiary all of the outstanding capital stock of which (except directors' qualifying shares) shall be owned by the Company and its other restricted subsidiaries (other than Florida West Coast Land Company) and which (a) is primarily engaged in the ownership, development or sale of land or the construction and sale of houses or buildings, or (b) which has been determined by the Board of Directors to be a restricted subsidiary, and also means Florida West Coast Land Company.

The Debentures are convertible, at the option of the holders, into shares of Common Stock of the Company at the conversion rate of 6.45 shares per $100 of debenture. The conversion rate is subject to adjustment upon the following events: the issuance of stock of the Company as a dividend on Common Stock; subdivisions, combinations and reclassifications of the Common Stock; the issuance to holders of Common Stock of rights or warrants entitling them (for a period not exceeding 45 days) to subscribe for Common Stock at less than the current market price (as defined); and the distribution to holders of Common Stock of evidences of indebtedness of the Company, or of assets (other than cash dividends or distributions permitted by the limitations summarized above) or rights to subscribe (other than rights or warrants previously referred to above).

NOTE AGREEMENTS AND WARRANTS

(As of August 23, 1961 - a $10,000,000 note outstanding up until that time was cancelled on that date)

Pursuant to Note Agreements dated August 23, 1961, the Company on that date sold to The Prudential Insurance Company of America its $15,000,000 6% Note due August 15, 1971 together with a Stock Subscription Warrant to purchase 62,500 shares of its Common Stock for an aggregate price of $15,000,000, of which $10,000,000 was paid by the cancellation of the Company's $10,000,000 6% Note due April 1, 1969 theretofore outstanding; and sold to The Ford Foundation its $5,000,000 6% Note due August 15, 1971 together with a Stock Subscription Warrant to purchase 62,500 shares of its Common Stock for an aggregate price of $5,000,000. The Agreements require prepayment, without premium, of $2,500,000 on August 15 of each year commencing with 1964, and if the Company's gross receivables for lot sales at the end of any year are less than 90% of such receivables at the end of the preceding year, prepayment is required, on written demand of the holders of at least ¼ of the aggregate principal amount of Notes then outstanding, of an additional amount equal to one third of the amount by which such receivables are less than such 90%. The Agreements also provide that whenever there is a material and substantial change (other than by death or disability) in the execu-

tive officers of the Company taken as a group, each original holder of the Notes shall have the option to require prepayment in full, not earlier than one year thereafter, of the Notes held by it.

The Agreements impose a number of requirements and restrictions upon the Company, in addition to those usually contained in agreements of this type, among the more significant of which are the following:

(1) The Company may not pay dividends or make other distributions (except in stock of the Company), on, or acquire, any of its stock or redeem or purchase any of the Debentures, except in an amount not exceeding in the aggregate 50% of consolidated net earnings from January 1, 1961 through the last fiscal quarter preceding such dividend, distribution, acquisition, redemption or purchase, less the sum of (a) all such dividends and distributions after December 31, 1960, (b) any excess of amounts expended after December 31, 1960 to acquire stock of the Company over the proceeds of sale of stock after such date, (c) the amount of certain investments in certain subsidiary and affiliated companies after such date, and (d) the aggregate amount expended for the redemption or purchase of Debentures. The foregoing does not, however, apply to the acquisition of Debentures through surrender for conversion or to the redemption of all outstanding Debentures if at the time notice of redemption is given the market value of the Common Stock issuable upon conversion of such Debentures is more than 125% of the principal amount thereof.

(2) The Company and certain of its subsidiaries must maintain cash, short-term investments, certain first mortgage receivables and gross receivables on lot sales (less adequate reserves for losses and certain estimated and deferred liabilities applicable to such receivables) in an aggregate amount equal to 150% from August 15, 1961 through December 31, 1962, 175% during 1963, 200% during 1964, 250% during 1965 and 300% thereafter, of certain consolidated liabilities.

(3) The Company and certain of its subsidiaries must also maintain cash and short term investments of at least $1,000,000 through December 31, 1962 and equal to at least 1% of total assets thereafter, and in additional amounts related to certain liabilities, including estimated liabilities for improvements to lots sold, and to amounts required to release lots sold from certain purchase money mortgages.

(4) The Company and certain of its subsidiaries may not make expenditures after June 30, 1961 for land improvements in respect of lot sales in excess of the pro-rata portion (i.e., the relationship of estimated improvements to lots sold to the sales price thereof) of principal collections on lots sold plus $500,000.

(5) The Company and certain of its subsidiaries may not purchase or acquire (other than in exchange for stock of the Company) land, except to expand existing development areas (including Port Malabar) through the purchase of land not exceeding 10% of the number of acres owned or held under option at such development areas on June 30, 1961.

(6) In the event of default in payment of principal of or interest on the Notes or with respect to any of the requirements mentioned in (2) and (3), above, the holders of 25% in principal amount of the Notes may require an assignment of all notes, accounts and mortgages receivable held by the Company and mortgages on all of the real property owned by the Company, as security for the Notes.

The Agreements also provide that neither the Company nor certain of its subsidiaries may create, assume or incur encumbrances on their properties or funded or current debt, with certain exceptions, the more important of which are non-liability purchase money mortgages, construction loans on houses subject to contracts of sale, construction loans on not more than 300 houses at any one time which are not subject to contracts of sale, mortgages (not exceeding $1,500,000 aggregate principal amount at any one time) on commercial properties owned by the Company, provided such properties are subject to long-term leases which financially assure payment of the mortgage debt, mortgages (not exceeding $1,000,000 aggregate principal amount at any one time) on Company-owned office buildings, conditional sales contract obligations not exceeding $1,000,000 in the aggregate at any one time, and other current indebtedness in an aggregate amount not exceeding $3,000,000 ($5,000,000 prior to July 31, 1964) at any one time provided that within the preceding 12 months the Company shall have had no such current indebtedness for at least 60 consecutive days (18 months and 90 days prior to July 31, 1964). The Company is also restricted from making loans or advances to or guaranteeing indebtedness of sales agents in an aggregate amount exceeding $1,000,000, excluding any guaranties of debt of Charlex Realty Company not in excess of $1,000,000.

The Stock Subscription Warrants referred to above are transferable and divisible, and are exerciseable at any time on or before August 15, 1971 at a price of $18 per share. On August 23, 1961 the closing price of the Common Stock on the American Stock Exchange, as reported in the Wall Street Journal, was $13.875 per share.

Pursuant to a prior Note Agreement (now cancelled) the Company also sold to Prudential on April 6, 1959, for a cash consideration of $1,000,000, a transferable and divisible Stock Subscription Warrant to purchase 100,000 shares of the Company's Common Stock on or before April 1, 1969, at a price of $38.50 per share through April 1, 1964 and at $48.00 per share thereafter. The initial purchase price fixed in the Warrant was approximately the market price of the Common Stock at the time the terms of the Agreement were negotiated. On April 6, 1959, the closing price of the Common Stock on the American Stock Exchange, as reported in The Wall Street Journal, was $56.375 per share.

Each of these Warrants contains anti-dilution provisions for adjustment of the number of shares purchasable thereunder and the exercise price in certain contingencies, including stock dividends, distributions and splits, sales of Common Stock for less than the Warrant exercise price, recapitalization, merger and consolidation. Pursuant to these provisions, the number of shares covered by the Warrant of April 6, 1959 was increased to 250,000 and the Warrant prices were reduced to $15.40 and $19.20 upon the 1-for-4 and 1-for-1 stock distributions which took effect on May 18, 1959.

Stock Options

At June 1, 1961, employees of the Company held restricted stock options, as defined in Section 421 of the Internal Revenue Code of 1954, to purchase an aggregate of 457,000 shares of the Company's Common Stock, as follows:

Name of Individual or Identity of Group	*Number of Shares Covered by Options*	*Option Price Per Share*	*Expiration Date of Options*
Frank E. Mackle, Jr.	87,500 *	$ 5.61 *	April 21, 1968
Robert F. Mackle	87,500 *	5.61 *	April 21, 1968
Elliott J. Mackle	87,500 *	5.61 *	April 21, 1968
H. A. Yoars	30,000	15.62	June 1, 1971
A. J. Fay	10,000	14.67	April 18, 1970
Neil E. Bahr	10,000	19.12	December 2, 1969
Thomas A. Ferris	25,000 *	5.61 *	April 21, 1968
James E. Vensel	25,000 *	5.61 *	April 21, 1968
William H. O'Dowd	25,000 *	5.61 *	April 21, 1968
All officers and directors as a group	337,500 *	5.61 *	April 21, 1968
	30,000	15.62	June 1, 1971
	10,000	14.67	April 18, 1970
	10,000	19.12	December 2, 1969
All other employees	12,500	5.61 *	April 21, 1968
	22,000	17.77	June 10, 1969
	10,000	22.21	December 30, 1969

* As adjusted in accordance with the terms of the options to reflect 1-for-4 and 1-for-1 Common Stock distributions on the Company's outstanding Common Stock which took effect on May 18, 1959.

The option price of each of the options when granted was 95% of the fair market value of the Common Stock on the date of grant. The options which expire on April 21, 1968 are presently exercisable as to all shares covered thereby. Those which expire on June 10, 1969, December 2, 1969, December 30, 1969 and April 18, 1970 will not become exercisable until June 10, 1964, December 2, 1964, December 30, 1964 and April 18, 1965 respectively, when they will become exercisable in full, and unless the optionees remain in the employ of the Company or one of its subsidiaries until such dates, the options will not be exercisable to any extent. The option which expires on June 1, 1971 will become exercisable as to 20% of the stock covered thereby on June 1, 1963 and as to an additional 20% on each succeeding June 1, and will be exercisable in full after June 1, 1967. All options other than that granted to Mr. H. A. Yoars have been approved by the stockholders.

Each of the outstanding options terminates three months after the optionee ceases to be an employee of the Company or a subsidiary except that in the event of the optionee's death, his heirs, executors or administrators may exercise the option at any time within the original option period, in the case of the options held by the Messrs. Mackle, or within six months after death, in the case of the remaining options. Each holder of an outstanding option has agreed to hold any shares acquired through the exercise of an option for investment and not with a view to distribution. No officer or director of the Company is currently eligible to receive an option under the Employee's Stock Option Plan referred to in the next succeeding paragraph, with the exception of Mr. Fred W. Hooper. Messrs. A. J. Fay and Neil E. Bahr would be eligible if they were to request the Company to cancel their outstanding options and the Committee should approve such requests. It is anticipated that Messrs. Fay and Bahr will so request the cancellation of their outstanding options. Messrs. Frank E. Mackle, Jr., Robert F. Mackle, Elliott J. Mackle, H. A. Yoars, Thomas A. Ferris, James E. Vensel and William H. O'Dowd would be eligible if they were to request the Company to cancel their outstanding options and the committee should approve such requests. It is not anticipated that any of these persons will so request the cancellation of their outstanding options. Assuming all persons presently holding options should request the cancellation of their options, a total of approximately 50 employees would be eligible to receive the options under the Plan, including 10 officers and directors.

At the annual meeting held on May 16, 1961 the stockholders of the Company approved a Stock Option Plan under which restricted stock options, as defined in Section 421 of the Internal Revenue Code, may be granted to officers and key employees of the Company and its subsidiaries to purchase a total of not more than 150,000 shares of Common Stock. No individual may receive options under the Plan for more than 15,000 shares, subject, however, to proportionate adjustment in accordance with the anti-dilution provisions of the Plan. The purchase price of stock under each option will be fixed at $15.50 or 100% of the average fair market value of the shares on the date the option is granted, whichever is greater.

The Plan provides that the term of each option will be ten years from the date the option is granted, provided, however, that no option may be exercised more than three months after termination of employment. An option may be exercised as to 20% of the aggregate number of shares covered by such option after two years from the date of the grant of the option, as to an additional 20% of the aggregate number of shares covered by such option after each of the third, fourth and fifth years from the date of the grant of the option, and as to the entire number of shares covered by such option at any time, and from time to time, after the sixth year from the date of the grant, provided that no option may be exercised unless the optionee is then in the employ of the Company (or was in the employ of the Company within three months of the date of exercise) and shall have been continuously employed by the Company for two years from the date the option was granted. Upon the death of an optionee, the option may be exercised within a period of six months thereafter by his legal representative.

The Plan provides that no person who shall have exercised or who shall exercise an option not granted under the Plan is eligible to participate therein. It further provides that none of the persons currently holding options is eligible to participate therein, unless he shall file with the Company a request for the cancellation of all outstanding options theretofore granted to him and unless such request shall be approved by the Committee. It is anticipated that all of the optionees of currently outstanding options will request the Company to cancel their options, other than holders of options at $5.61 expiring on April 21, 1968 and Mr. H. A. Yoars. It is not anticipated that either Mr. Yoars or any holder of an option expiring on April 21, 1968 will request cancellation of his present option, and therefore these optionees will not be eligible to participate under the Plan. The Committee may issue a new option to a person requesting cancellation of an option granted at a price higher than the price under the Plan only if the average fair market value of the Common Stock for the twelve months prior to the month in which the option is granted is less than 80% of the price of the Common Stock on the date on which that particular option was granted.

If all options outstanding on June 1, 1961 were to be immediately exercised, the number of shares issued under such exercise would be 6.77% of the then outstanding and issued common stock of the Company. If all options granted at the price of $5.61 and the option granted to Mr. H. A. Yoars were to remain outstanding outside the Plan, and if all other options were cancelled, and if the options to purchase 150,000 under the Employee's Stock Option Plan were immediately granted pursuant to the terms of the Plan, and then all outstanding options were immediately exercised, the shares which the Company would issue pursuant to such exercise would be 8.11% of the then issued and outstanding shares of the Company's common stock.

RIDER D

Frank E. Mackle, Jr.	3250 S. W. 3rd Avenue Miami, Florida
Robert F. Mackle	3250 S. W. 3rd Avenue Miami, Florida
Elliott J. Mackle	3250 S. W. 3rd Avenue Miami, Florida
H. A. Yoars	2828 S. W. 22nd Street Miami, Florida
A. J. Fay	2828 S. W. 22nd Street Miami, Florida
Neil E. Bahr	2828 S. W. 22nd Street Miami, Florida
Thomas A. Ferris	2828 S. W. 22nd Street Miami, Florida
James E. Vensel	2828 S. W. 22nd Street Miami, Florida
William H. O'Dowd	2828 S. W. 22nd Street Miami, Florida
Max Orovitz (this option was exercised 9-1-61)	One Lincoln Road Miami Beach, Florida
The Prudential Insurance Company of America	18 Bank Street Newark, New Jersey

RIDER K

	Shares giving	Shares acquired
FRED W. HOOPER 1150 N. W. 57 Avenue Miami, Florida	152	170,014
LAURA G. HOOPER 3211 Alhambra Circle Coral Gables, Florida	18	20,133
LAURA ELIZABETH HEDDEN Twin Springs Farm Route 4, Shelbyville, Ky.	18	20,133
FRED W. HOOPER, JR. 12200 S. W. 57 Avenue Miami, Florida	18	20,133
HELEN KATHERINE WHEELER 4040 N. W. 187 Terrace Opa Locka, Florida	18	20,133
DORIS ROBINSON HOOPER 303 Temko Terrace Daytona Beach, Florida	18	20,133

RIDER E

Stockholdings

The following tabulation sets forth certain information with respect to the ownership, at July 31, 1961, of the outstanding Convertible Debentures and Common Stock of the Company:

Name and Address	*Type of Ownership*	*Principal Amount of Convertible Subordinated Debentures*	*Percent of Outstanding Debentures*	*Number of Shares Owned*	*Percent of Outstanding Shares*
Louis Chesler (1) 233 Kings Point Road Great Neck, L. I., N. Y.	Beneficial	$ 995 000	7.93	191,162(2)	2.91
	Beneficial and Of Record			16,250	2.25
Chesler Investments, Inc. (1) 100 West 10th Street Wilmington 99, Del.	Beneficial	450,500	3.59	85,290	1.30
	Beneficial and Of Record	250,000	1.99		
Chesler Operations, Inc. (1) 100 West 10th Street Wilmington 99, Del.	Beneficial and Of Record	300,000	2.39	835,000	12.73
	Of Record Only			43,000	.66
	Beneficial	1,550,000	12.35	90,000	1.37
Gardner Cowles (3) 488 Madison Avenue New York 22, N. Y.	Beneficial and Of Record	457,200	3.64	286,913	4.37
Cowles Magazines and Broadcasting, Inc. (3) 488 Madison Avenue New York 22, N. Y.	Beneficial and Of Record	185,500	1.48	124,873	1.90
Des Moines Register and Tribune Company (3) Des Moines, Iowa	Beneficial and Of Record	381,100	3.04	221,810	3.38
Frank E. Mackle, Jr. (4) 2828 S. W. 22nd Street Miami, Florida	Beneficial and Of Record			7,500	.11
Robert F. Mackle (4) 2828 S. W. 22nd Street Miami, Florida	Beneficial and Of Record	$ 14,500	.12	7,250	.11
Elliott J. Mackle (4) 2828 S. W. 22nd Street Miami, Florida	Beneficial and Of Record	10,000	.08	5,000	.08
The Mackle Company, Inc. (4) 2828 S. W. 22nd Street Miami, Florida	Beneficial and Of Record	875,000	6.97	500,000	7.62
All officers and directors of the Company as a group (5)		2,407,200	19.18	1,216,319	18.54

(1) All of the outstanding common stock of Chesler Investments, Inc. and Chesler Operations, Inc. is owned by Mr. Chesler as sole trustee for his five minor children. The outstanding preferred stock of Chesler Operations, Inc. is beneficially owned by Mr. Chesler.

(2) Includes 43,000 shares held of record by Chesler Operations, Inc.

(3) Mr. Cowles is the President and a director of Cowles Magazines and Broadcasting, Inc. and Des Moines Register and Tribune Company. Mr. Cowles, his wife, minor children and certain corporations of which he owns 50% or more of the outstanding stock owned, directly or indirectly, approximately 31.7% and 6.9% of the outstanding shares of Cowles Magazines and Broadcasting, Inc. and Des Moines Register and Tribune Company, respectively. Des Moines Register and Tribune Company is the owner of approximately 17.2% of the outstanding stock of Cowles Magazines and Broadcasting, Inc.

(4) Frank, Robert, and Elliott Mackle, who are brothers, each owns directly or indirectly one-third of the outstanding stock of The Mackle Company, Inc., of Arrow Corp. and of Temple Corporation, Arrow Corp. and Temple Corporation holding directly or beneficially between them, $15,000 principal amount of the Company's 6% subordinated debentures and 7,500 shares of Company's common stock. See Rider C for information as to restricted stock options to purchase an aggregate of 262,500 shares of common stock of the Company granted to the Mackle brothers.

(5) Includes the Company's 6% subordinated debentures and shares owned by The Mackle Company, Inc., Arrow Corp. and Temple Corporation but excludes debentures and shares owned beneficially by Chesler Investments, Inc., Chesler Operations, Inc., Cowles Magazines and Broadcasting, Inc. and Des Moines Register and Tribune Company, and $39,800 principal amount debentures and 11,964 shares of the Company's common stock owned directly or beneficially by wives and children of the Mackle brothers and 6,048 shares of Company common stock owned beneficially by Mr. Cowles' wife and certain of their children and trusts for the benefit of such children, shares owned directly or beneficially by the wife and children of Fred W. Hooper and also excludes $20,000 of debentures and 10,000 shares owned by a partnership of which one of the members of the group is a partner.

(6) Des Moines Register and Tribune Company has granted to Louis Chesler an option to purchase 60,000 shares of the Company's common stock held by it during a period commencing November 5, 1961 and terminating May 4, 1962. Cowles Magazines and Broadcasting, Inc. has granted to Louis Chesler a similar option to purchase 15,000 shares of its holdings of the Company's common stock during the same period. The Mackle Company, Inc. has granted to Louis Chesler an option to purchase 75,000 shares of its holdings of the Company's common stock during a period commencing June 5, 1962 and ending August 4, 1962.

Except as indicated above, no person owns of record or, insofar as the Company is aware, beneficially 10% or more of the outstanding Common Stock of the Company.

RIDER F

	Investment	Current Market Value
Copper Rand Chibougamau Mines Limited	$ 532, 839	$ 115, 540
Fort Pierce Port and Terminal Company	$ 12, 500	$ 2, 500

This list does not include investments in subsidiaries (all but one of which (an 80% owned subsidiary) are 100% owned by the Company) which are included in the consolidated financial statements of the Company (Rider H).

RIDER G

LITIGATION

On June 4, 1957, a stockholders' derivative action for the benefit of Ridgeway Corporation, entitled "*Lester K. Striker* v. *Florida Canada Corporation, et al.*" was instituted in the Chancery Court of New Castle County, Delaware, against the Company, Associated Artists Productions Corp., Universal Controls, Inc., Donnell & Mudge, Ltd., Yellowknife Bear Mines Limited and certain individuals who, with one exception, are present or former directors of the Company and one or more of the other corporate defendants. The complaint alleges that the various corporate defendants and their directors deprived Ridgeway Corporation of certain corporate opportunities during 1956 and early 1957 to the benefit of such corporate defendants, and seeks an accounting from the defendants, individual and corporate, for profits in an unspecified amount alleged to belong to Ridgeway Corporation. Similar actions seeking substantially the same relief were commenced by the same plaintiff in the United States District Courts for the District of Delaware and the Eastern District of Michigan, Southern Division, on June 21, 1957 and July 15, 1957, respectively.

The Company has been served, has entered an appearance and has filed motions to dismiss the complaint in the two Delaware cases. Such motions have not as yet been set for argument. The Company has not been served with process in the action pending in the United States District Court for the Eastern District of Michigan and believes that it is not amenable to service. Accordingly, it has not entered an appearance or filed any answer or other pleading in this action. In the opinion of Messrs. Paul & Sams, general counsel for the Company, the Company has good and sufficient defenses to the claims made in these actions.

On December 6, 1960 Robert L. Catlin, a former employee of the Company, instituted an action in the Circuit Court of Dade County, Florida, seeking specific performance of a stock option agreement entered into between him and the Company on April 21, 1958. The Company had refused to issue the stock covered by this agreement because Catlin had refused to enter into certain investment stipulations. By decree of April 10, 1961 the Court ordered the Company to deliver to Catlin a stock certificate for 25,000 shares of stock on receipt of $140,200 in payment therefor. The decree further provided that the shares are to be held by Catlin "for investment and not with a view to distribution and [Catlin] may not sell or distribute any of such shares otherwise than in compliance with the U. S. Securities Act of 1933, as amended, and the applicable rules and regulations thereto". The Company has appealed this decree because it did not provide for the endorsement on the stock certificate of an investment legend. The Company has tendered the stock certificate without an investment legend to Catlin's agent, but the tender has been refused. Catlin contends that the tender was conditional in that his agent had been notified prior to the tender that an appeal had been filed. The appeal is pending.

The Company has been notified by the tax assessor of Charlotte County, Florida, where the major portion of the Company's Port Charlotte development is located, that in accordance with the program of reassessing all real property in Charlotte County, the assessed valuation of the Company's real property there for the year 1961 has been fixed at approximately $23,251,000. This represents an increase of $21,365,000 over the 1960 assessment which was approximately $1,886,000.

The Company appealed to the Board of County Commissioners of Charlotte County, sitting as a Board of Equalization for a review and reduction of its 1961 real property tax assessment, but its appeal was denied. The Company is considering the institution of legal proceedings to seek a reduction of its 1961 real property tax assessment.

If the Company is unsuccessful in obtaining any reduction in its 1961 Charlotte County real property tax assessment, it estimates that its 1961 Charlotte County real property taxes will be between approximately $227,000 and $300,000 depending upon the millage rate set by the Board of County Commissioners. This represents an increase of between $151,000 and $224,000 over the Company's 1960 Charlotte County real property taxes.

The New Jersey Real Estate Commission has entered a cease and desist order against the sale of homesites at Port Malabar.

RIDER H

FINANCIAL STATEMENTS

GENERAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS	Unaudited July 31, 1961		Audited December 31, 1960	
Cash		$ 1,798,989		$ 3,059,344
Contracts receivable on lot sales (estimated amount due within one year, $13,300,000) (Note 2)	$123,365,354		$103,951,543	
Less, Allowance for contract cancellations	16,084,086	107,281,268	13,345,484	90,606,059
Mortgages and other receivables		3,113,181		3,949,143
Land and houses for sale, at cost:				
Land and improvements	34,852,069		34,401,617	
Houses, completed or under construction	9,323,013	44,175,082	9,101,350	43,502,967
Investments, at cost (Note 3)		545,339		1,246,671
Property, plant and equipment, at cost	12,689,272		10,599,627	
Less, Allowances for depreciation (Note 4)	4,175,160	8,514,112	3,615,281	6,984,346
Deferred charges and other assets:				
Debt discount and issue expense (Notes 8 and 9)	1,047,321		1,161,252	
Prepaid expenses	466,431		403,506	
Deposits on land purchases (Note 5)	213,296		217,163	
Patents, at cost, less allowance for amortization (Note 4)	189,661		199,043	
Other assets	1,863,149	3,779,858	1,760,013	3,740,977
		$169,207,829		$153,089,507
LIABILITIES				
Construction loans (Note 6)		$ 6,957,768		$ 6,980,305
Accounts payable, trade		3,833,530		4,825,783
Accrued liabilities:				
Commissions on lot sales	7,487,105		6,690,531	
Fees to The Mackle Company, Inc.	2,462,197		1,850,651	
Interest	1,002,264		762,963	
Property and other taxes	464,260		619,605	
Other	123,528	11,539,354	316,443	10,240,193
Customers' deposits, principally on sales contracts		1,433,893		663,332
Mortgages and other notes payable (Note 7)		26,050,802		22,672,113
Provision for improvements to lots sold (Note 2)		26,950,000		24,260,000
Estimated federal income taxes on future collections on sales contracts (Note 2)		24,710,000		20,760,000
6% Promissory note (Note 8)		10,000,000		10,000,000
6% Convertible Subordinated Debentures due May 1, 1975 (Note 9)		12,550,000		12,555,400
Minority interest in subsidiary		2,103,396		1,708,248
		126,128,743		114,665,374
Commitments and contingencies (Note 5)				
STOCKHOLDERS' EQUITY				
Common stock, $1 par value, authorized 15,000,000 shares; issued and outstanding 1961, 6,561,256 shares; 1960, 6,560,910 shares (Notes 8, 9 and 10)	6,561,256		6,560,910	
Capital contributed in excess of par value, as annexed	9,974,272		9,969,252	
Retained earnings, as annexed (Note 8)	26,543,558	43,079,086	21,893,971	38,424,133
		$169,207,829		$153,089,507

The accompanying notes are an integral part of the financial statements.

GENERAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

1. Principles of Consolidation:

General Development Corporation is the survivor resulting from the merger on April 21, 1958 into Florida Canada Corporation of its 50% owned subsidiary, General Development Corp. Stock of the surviving company was issued in exchange for the remaining 50% interest in General Development Corp. For accounting purposes the combining of the companies has been treated as a "pooling of interests" and the consolidated statements of earnings and of retained earnings include the results of operations of the constituent companies throughout the entire period.

On June 20, 1961, the Company acquired all of the outstanding shares of Hooper Construction Company in exchange for 270,679 shares of the Company's common stock. For accounting purposes the transaction has been treated as a "pooling of interests" and accordingly the consolidated statements of earnings and of retained earnings include the results of operations of Hooper Construction Company throughout the entire period.

The consolidated financial statements include all of the Company's subsidiaries. The accounts of Canadian subsidiaries are included at par.

At July 31, 1961, and December 31, 1960 the Company's equity in the net assets of its subsidiaries, as shown by the books of the latter and after eliminating unrealized intercompany profits therein, was $5,176,900 and $5,065,118, respectively, more than its investments in such subsidiaries. In consolidation this amount, representing earnings of subsidiaries since formation, was credited to consolidated retained earnings.

2. Accounting Procedures:

For description of accounting procedures for sales, contracts receivable, cost of required improvements and other related matters including federal income taxes, see comments under "Accounting Procedures" and the notes to consolidated statement of earnings appearing elsewhere in this Prospectus.

3. Investments:

Investments at July 31, 1961 and December 31, 1960 comprise the following (approximately $130,000 and $820,000, respectively, at market quotations):

	July 31, 1961	December 31, 1960
Florida Home Insurance Company, approximately 33% of common stock outstanding		$ 701,332
Marketable securities	$532,839	532,839
Other	12,500	12,500
	$545,339	$1,246,671

4. Property, Plant and Equipment and Depreciation Policy:

The major classifications of property, plant and equipment are:

	July 31, 1961	December 31, 1960
Land and improvements	$ 878,439	$ 878,439
Land development machinery and equipment	3,980,097	3,509,821
Buildings	3,085,264	1,967,646
Fixtures and equipment	2,199,934	1,976,785
Utility equipment and facilities	1,994,609	1,639,066
Oil drilling equipment and capitalized drilling costs	217,353	217,353
Construction in progress	333,576	410,517
	$12,689,272	$10,599,627

The companies provide for depreciation of fixed assets by charges to income or to the provision for improvements to lots sold, determined principally by the sum-of-the-years digits and declining balance methods. Depreciation and amortization of oil drilling equipment and capitalized drilling costs are based on the units of production method. The following tabulation indicates the principal estimated useful lives upon which depreciation charges are based:

	Years
Land improvements	10
Land development machinery and equipment	4–8
Buildings	20–40
Fixtures and equipment	3–10
Utility equipment and facilities	15–50

Maintenance and repair costs customarily are charged to income or to the provision for improvements to lots sold when incurred. Renewals and betterments to owned properties are capitalized. Betterments to leased properties are capitalized and written off over the terms of the leases.

Allowances for depreciation are charged with the amount of accrued depreciation at the time properties are retired or otherwise disposed of, the profit or loss being credited or charged to income.

Costs of acquired patents are being amortized over the life of the principal patents.

5. Additional Land Acquisition:

At December 31, 1960, the Company had made a deposit on the purchase of 42,750 acres of land for future development. In September, 1961, the land was acquired upon payment of approximately $1,200,000 additional cash and the issuance of fifteen-year purchase money mortgages aggregating approximately $13,700,000 and a purchase money mortgage for approximately $1,300,000 due within two years. Approximately $14,000,000 of such mortgages are noninterest-bearing and $1,000,000 bears interest at 4%.

For additional description of the transaction see "Properties — Port Malabar", elsewhere in this Prospectus.

6. Construction Loans:

Construction loans, principally from banks, bear interest at 5¾% or 6% and are generally payable within six months. The loans are secured by first mortgages on land and houses and are ordinarily paid from proceeds of the sale of the houses.

7. Mortgages and Other Notes Payable:

Mortgages payable aggregating $17,933,080, are principally purchase money obligations issued by the Company or mortgages to which the land was subject at the time of acquisition. The mortgages generally mature in equal annual instalments; however, acceleration of the payments may be required to release mortgaged property sold. The notes, aggregating $8,117,722, are principally unsecured and are payable at various dates.

Payments required on the principal of the mortgages and notes are as follows:

Year ending July 31:

1962	$ 9,227,826
1963	4,595,648
1964	5,401,485
1965	2,512,729
1966	2,008,367
Thereafter	2,304,747
	$26,050,802

The amounts above include 5% mortgages payable to officers and directors of the Company and to The Mackle Company, Inc. amounting to approximately $198,750, 6% notes payable to Chesler Operations, Inc. amounting to $1,041,667, 4½% notes payable to Cowles Magazines and Broadcasting, Inc. amounting to $1,558,806. The principal balances at July 31, 1961 are subject to the following interest rates:

7%	$ 36,094
6%	8,486,833
5½%	2,883,333
5%	8,773,033
4½%	1,558,806
4%	2,634,535
Various	654,568
No interest prior to maturity	1,023,600
	$26,050,802

8. 6% Promissory Notes and Stock Warrants:

In August, 1961, the Company sold $20,000,000 of 6% promissory notes, payable $2,500,000 annually commencing in 1964 and the Company's 6% promissory note for $10,000,000 was cancelled. The new note agreements require, in effect, that specified proportions of cash collections on lot sales contracts either be expended or held in reserve for required improvements to lots sold and for payments on purchase money mortgages. The agreements also require maintenance of specified ratios between certain assets and certain liabilities and contain limitations as to payment of dividends (other than stock dividends), new investments, distributions on or acquisitions of capital stock and redemption of convertible subordinated debentures. At July 31, 1961 retained earnings free of such restriction amounted to approximately $1,700,000. For further description of the note agreements, a stock subscription warrant for 250,000 shares of the Company's common stock sold pursuant to the now cancelled note agreement, and stock subscription warrants for 125,000 shares of the Company's common stock sold pursuant to the new note agreements, see "Note Agreements and Warrants" elsewhere in this Prospectus.

Discount and issue expense in connection with the cancelled 6% promissory note is being amortized by annual charges to income proportionate to the outstanding principal amounts.

9. 6% Convertible Subordinated Debentures:

The debentures are convertible into shares of common stock at any time at $15.50 principal amount of debentures per share; 809,491 shares of common stock are reserved for such conversions. Annual sinking fund payments, or redemption or conversion of bonds in lieu thereof, of not less than 15% of the principal amount of debentures outstanding at May 1, 1969 are required beginning in 1970. The debenture indenture also contains certain limitations, less restrictive than those contained in the 6% promissory note agreements, as to payment of dividends (other than stock dividends) and acquisitions of capital stock.

Issue expense in connection with the debentures is being amortized by annual charges to income proportionate to the outstanding principal amounts.

10. Stock Options:

At July 31, 1961, options to purchase 456,500 shares of the Company's common stock were outstanding under employees' restricted stock options approved by the stockholders. These options, together with options to purchase an aggregate of 206,250 shares granted in 1957 and 1958 and exercised in 1958 and 1960, were granted to certain officers and employees at prices representing at least 95% of market prices at the dates the options were granted. Adjustment of the number of shares and the option and market prices has been made to reflect stock distributions subsequent to the grants.

The outstanding options were granted as follows:

Shares	Dates Granted	Years Exercisable	Option Prices Per Share	Option Prices Total	Market Prices at Dates Granted Per Share	Market Prices at Dates Granted Total
262,500	Apr 1958	1958-1968	$ 5.61	$1,472,100	$ 5.90	$1,549,800
112,500	Apr 1958	1959-1968	5.61	631,125	5.90	663,750
21,500	Jun 1959	1964-1969	17.77	382,055	18.70	402,050
10,000	Dec 1959	1964-1969	19.12	191,200	20.13	201,300
10,000	Dec 1959	1964-1969	22.21	222,100	23.38	233,800
10,000	Apr 1960	1965-1970	14.67	146,700	15.44	154,400
30,000	Jun 1961	1963-1971	15.62	468,600	16.44	493,200

Data with respect to (a) options which became exercisable and (b) options which were exercised are as follows:

	Year Ended December 31 1960	1959	1958
(a) Options which became exercisable:			
Number of shares	None	150,000	456,250
Option prices:			
Per share		$5.66*	$4.58*
Total		$848,000	$2,087,300
Market prices at dates exercisable:			
Per share		$22.83*	$5.90
Total		$3,424,500	$2,693,700
(b) Options which were exercised:			
Number of shares	12,500	None	193,750
Option prices:			
Per share	$6.15		$3.17*
Total	$76,900		$615,200
Market prices at dates exercised:			
Per share	$12.50		$8.50*
Total	$156,250		$1,646,875

* Approximate weighted average price.

No charge to income was made with respect to options during these periods.

No options became exercisable or were exercised during the seven months ended July 31, 1961.

For information with respect to an Employees' Stock Option Plan under which 150,000 shares of the Company's common stock may be sold, see "Employees' Stock Option Plan" elsewhere in this Prospectus.

For comments with respect to litigation relative to an employee's stock option, see "Litigation" elsewhere in this Prospectus.

11. Supplementary Profit and Loss Information:

	Charged Directly to Profit and Loss (Other than Cost of Sales)	Charged to Other Accounts(a)	Total
Maintenance and repairs:			
Year ended December 31 (audited):			
1958	$ 985,992	$ 90,879	$1,076,871
1959	960,628	64,311	1,024,939
1960	1,626,880	175,553	1,802,433
Seven months ended July 31, 1961 (unaudited)	1,131.240	129,153	1,260,393
Depreciation and amortization of fixed and intangible assets:			
Year ended December 31 (audited):			
1958	600,510	100,668	701,178
1959	717,303	157,878	875,181
1960	856,550	179,687	1,036,237
Seven months ended July 31, 1961 (unaudited)	549,195	82,276	631,471
Taxes, other than federal income taxes:			
Year ended December 31 (audited):			
1958	169,465	32,479	201,944
1959	390,887	39,949	430,836
1960	734,524	59,663	794,187
Seven months ended July 31, 1961 (unaudited)	578,014	40,897	618,911
Rents(b):			
Year ended December 31 (audited):			
1958	682,450	227,283	909,733
1959	718,592	355,539	1,074,131
1960	1,053,184	636,455	1,689,639
Seven months ended July 31, 1961 (unaudited)	348,195	550,001	898,196

(a) Charged principally to provision for improvements to lots sold.
(b) Rental of equipment charged to the provision for improvements to lots sold includes charges for operation of the equipment.

There were no royalties or management and service contract fees during the above periods.

The total tax amounts consist of:

	Unaudited Seven Months Ended July 31, 1961	Audited Year Ended December 31 1960	1959	1958
Social security	$210,473	$210,724	$130,484	$ 60,643
Property	347,266	509,055	264,182	113,690
Other	61,172	74,408	36,170	27,611
	$618,911	$794,187	$430,836	$201,944

GENERAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS AND CAPITAL CONTRIBUTED IN EXCESS OF PAR VALUE

RETAINED EARNINGS

	Unaudited Seven Months Ended July 31		Audited Year Ended December 31				
	1961	1960	1960	1959	1958	1957	1956
Balance, beginning of period	$21,893,971	$16,070,869	$16,070,869	$10,973,332	$ 4,632,064	$2,716,925	$1,902,084
Add, Net income	4,649,587	3,605,094	5,870,219	8,919,801	6,419,508	1,943,357	846,963
	26,543,558	19,675,963	21,941,088	19,893,133	11,051,572	4,660,282	2,749,047
Deduct:							
Transfer to common stock of par value of shares issued as stock distribution				3,778,774			
Reduction due to purchase and cancellation of shares of common stock					45,070		
Net loss of Hooper Construction Company farm operations not acquired; see Note (c) of notes to consolidated statement of earnings		30,822	47,117	43,490	33,170	28,218	32,122
Balance, end of period	$26,543,558	$19,645,141	$21,893,971	$16,070,869	$10,973,332	$4,632,064	$2,716,925

CAPITAL CONTRIBUTED IN EXCESS OF PAR VALUE

	1961	1960	1960	1959	1958	1957	1956
Balance, beginning of period	$10,239,931	$10,156,091	$10,156,091	$ 9,156,091	$ 5,956,522	$2,266,522	$1,812,026
Add:							
Excess of amounts received over the par value of shares of common stock sold						3,690,000	
Excess of market over par value of shares of common stock issued in exchange for stock of corporations since liquidated					2,662,761		
Excess of amounts received over par value of shares of common stock issued on exercise of employees' restricted stock options (Note 10)			64,400		543,188		
Excess of principal of debentures converted to common stock over par value of shares issued	5,020	176	176				450,000
Excess of par value over cost of treasury shares retired		19,264	19,264				
Excess of amounts received over cost of treasury shares sold							4,496
Amount paid in for stock subscription warrant (Note 8)				1,000,000			
	10,244,951	10,175,531	10,239,931	10,156,091	9,162,471	5,956,522	2,266,522
Deduct:							
Excess of par value of shares of common stock issued in exchange for stock of Hooper Construction Company over stated value of shares received (Note 1)	270,679						
Reduction due to purchase and cancellation of shares of common stock					6,380		
Balance, end of period	$ 9,974,272	$10,175,531	$10,239,931	$10,156,091	$ 9,156,091	$5,956,522	$2,266,522

The accompanying notes are an integral part of the financial statements.

EXHIBIT I

ACCOUNTANTS' REPORT

Jacksonville, Florida
February 1, 1961

To the Directors and Stockholders of
Hooper Construction Company

In our opinion, the accompanying statements present fairly the financial position of Hooper Construction Company at December 31, 1960, and the result of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

MILLIGAN & BURKE
Certified Public Accountants

EXHIBIT J

HOOPER CONSTRUCTION COMPANY

STATEMENT OF FINANCIAL CONDITION
At May 31, 1961

ASSETS

Current Assets:		
Cash	$ 30,168.44	
Notes and accounts receivable:		
Trade notes and accounts receivable, including retainage due on completion	1,238,551.23	
Inventory of construction work in process	7,400.00	
Prepaid interest and other expenses	19,871.20	
Total Current Assets		$1,295,990.87
Fixed and Other Assets:		
Contracting and administrative equipment	$2,631,037.70	
Less accumulated depreciation	2,094,880.69	
Depreciated value	$ 536,157.01	
Account receivable from officer	29,851.94	
Deposits and sundry receivables	660.00	566,668.95
Total Assets		$1,862,659.82

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Notes payable, due within one year, including $40,815.57 secured by lien on construction equipment	$ 92,815.57	
Trade accounts payable	205,784.76	
Accrued federal income tax	35,604.24	
Accrued salaries and other expenses	19,300.38	
Total Current Liabilities		$ 353,504.95
Long-Term Debt:		
Note payments not due within one year, secured by lien on construction equipment		3,151.54
Total Liabilities		$ 356,656.49
Stockholders' Equity:		
Capital stock—250 shares outstanding		$ 25,000.00
Earned surplus		1,506,503.33
		$1,531,503.33
Less cost of 8 shares of treasury stock		25,500.00
Total Stockholders' Equity		$1,506,003.33
Total Liabilities and Stockholders' Equity		$1,862,659.82

The accompanying notes are an integral part of the financial statements.

HOOPER CONSTRUCTION COMPANY

STATEMENT OF INCOME
For the Period January 1, 1961 to May 31, 1961

Profit on Completed Contracts:		
Income	$2,144,446.12	
Direct costs	1,965,489.80	
Gross Profit		$ 178,956.32
Other Operating Income and Deductions:		
Profit on equipment use	$ 41,667.82	
Discounts earned and miscellaneous income	4,787.90	
Less cost of idle equipment	(47,609.83)	(1,154.11)
Income from Operations		$ 177,802.21
Deduct:		
Administrative expenses	$ 103,444.46	
Additional insurance expense for prior year	1,480.01	
Loss on sale of assets	1.00	
Total Deductions		104,925.47
Net Income before Income Tax		$ 72,876.74
Provision for Federal Income Tax		35,604.24
Net Income for the Period		$ 37,272.50

ANALYSIS OF EARNED SURPLUS
For the Period January 1, 1961 to May 31, 1961

Balance at January 1, 1961	$1,469,230.83
Net Income for the period (above)	37,272.50
Balance at May 31, 1961	$1,506,503.33

The accompanying notes are an integral part of the financial statements

10. Brief statement of company's chief development work during past year.	The Company during the past year continued the development of its communities and subdivisions, inaugurated the sale of investment contracts in the Port St. Lucie Country Club area (see Item 9) and contracted with Diamond Alkali Company for the development of its chrome plating process Since July 31, 1961 the Company has inaugurated a new community development on the east coast of Florida, Port Malabar (see Item 9).
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	See Rider K on page 6.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	See Rider K on page 6.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	None
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	See Rider E. In addition to the information therein supplied, Mr. Fred W. Hooper owns directly or indirectly 185,119 shares and Lerche & Co. (nominee of The Dreyfus Fund, Incorporated) owns 300,000 shares. (Rider E on page 7)
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Five Largest Record Stockholders Chesler Operations, Inc. 878,000 shares The Mackle Company, Inc. 500,000 shares Lerche & Co. 300,000 shares Gardner Cowles 281,913 shares Des Moines Register & Tribune Co. 221,810 shares
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	See Rider F on page 7.
18. Brief statement of any lawsuits pending or in process against company or its properties.	See Rider G on page 8.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	As part of the overall transaction of which the acquisition of the stock of Hooper Construction Company was the major part, the Company acquired from Fred W. Hooper certain equipment assets owned by him for $397,000
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	Financial statements of the Company as of July 31, 1961 and of Hooper Construction Company as of December 31, 1960 and May 15, 1961 attached as Riders H, I and J. No shares of the Company are currently in the course of primary distribution to the public.

DATED November 15th. 1961.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"H.A. Yoars" — CORPORATE SEAL

"G. Cowles" — Gardner Cowles

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)